

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ASUNCION

C O N F I D E N T I A L STATE 047447

E.O. 11652:

TAGS: PFOR, PA, US

SUBJECT: CASP PRE-IG - PARAGUAY

1. SUMMARY. PRE-IG MET MARCH 5 TO REVIEW PARAGUAY CASP. PRINCIPLE TOPICS OF DISCUSSION WERE LEVEL OF MAP MATERIEL ASSISTANCE AND PROMOTION OF US EXPORTS. PARTICIPANTS IN REVIEW SPECIFICALLY RECOMMENDED THAT EMBASSY BE COMPLIMENTED ON PREPARATION OF A GOOD DOCUMENT. END SUMMARY.

2. AS WAS CASE LAST YEAR THERE WAS AGREEMENT AT PRE-IG, WHICH WILL BE REFLECTED TO IG, (ALTHOUGH AGAIN NOT AS AN /ISSUE '), FOR USG SUPPORT FOR AMERICAN FIRMS IN TAKING ADVANTAGE OF EXPORT OPPORTUNITIES PRESENTED BY HYDROELECTRIC PROJECTS IN WHICH PARAGUAY IS INVOLVED. ONE AGENCY'S REPRESENTATIVES EXPRESSED RESERVATIONS ON RECOMMENDED MANNER IN WHICH ECONOMIC ASSISTANCE ACTIVITIES WOULD SUPPORT EXPORT PROMOTION EFFORT. HOWEVER AFTER MINOR WORD CHANGES, CASP PRESENTATION OF ISSUE ESSENTIALLY THE SAME.

3. PRE-IG WAS UNABLE REACH A CONSENSUS ON DIRECTION AND
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DIMENSION OF GRAND MAP MATERIEL PROGRAM DURING CASP TIME

FRAME, AND THEREFORE THIS MATTER WILL BE PRESENTED TO IG FOR ISSUE RESOLUTION. THOSE PARTICIPANTS IN DISACCORD WITH CASP PRESENTATION SUGGESTED THAT MAP-M LEVELS FOR FY 75 SHOULD BE NO GREATER THAN FY 74 ALLOCATION (AS PER STATE 023517),

AND SHOULD SHOW A DOWNWARD TREND IN KEEPING WITH PM AND ARA OBJECTIVE OF PHASE OUT OF MAP-M PROGRAMS REGIONALLY IN AN ORDERLY FASHION BY END FY 76. THEY OBSERVED THAT CASP TREATS MAP-M ISSUE IN SOMEWHAT DEFINITIVE TERMS WITH NO PROVISION TO COVER CONTINGENCY THAT CONGRESS MAY CUT OFF PROGRAM DURING CASP TIME FRAME. THEY FURTHER SUGGESTED THAT CASP SHOULD DISCUSS AS AN ALTERNATE ISSUE RESOLUTION TO WHAT EXTENT ACCESSIBILITY TO AND FAVORABLE DISPOSITION OF PARAGUAYAN LEADERS CAN BE MAINTAINED BY OTHER MEANS, E.G. CU PROGRAMS, HIGH LEVEL VISITS, FMS CREDIT, AND THAT ABSENT SUBSTANTIVE ENVIRONMENTAL CHALLENGES OR OPPORTUNITIES THE LOC FOR "FAVORABLE DISPOSITION OF PARAGUAYANS INTEREST" SHOULD BE NO HIGHER THAN MEDIUM. WE WOULD WELCOME FURTHER CONTRIBUTIONS EMBASSY MIGHT WISH TO MAKE TO STRENGTHEN CASP PRESENTATION ON MAP-M AND RELATED ISSUES.

4. IN ADDITION, PRE-IG REQUESTED EMBASSY TO REEXAMINE, AND TO CLARIFY FOLLOWING ITEMS:

A. CASP PROPOSES 80 THOUSAND DOLLARS FOR CU GRANTS TO SPONSOR VIP VISITS BY GOP OFFICIALS IN CONNECTION WITH EXPORT PROMOTION EFFORT. THIS REPRESENTS SUBSTANTIAL INCREASE FOR CU BUDGET FOR PARAGUAY FOR FY 75 AND FY 76 AND CASP MAKES NO PROVISION FOR CU GRANTS FOR ANY OTHER PURPOSES, SUCH AS IV'S IN OTHER FIELDS OF ACADEMIC PROGRAMS. CAN EMBASSY CLARIFY RATIONALE FOR RESOURCE LEVEL AND ELABORATE ON PROGRAMMING MIX PROPOSED?

B. CASP ANNEX A TABLE 2 INDICATES FY 75 INCREASES IN MARINE GUARD COMPLEMENT FROM 6 TO 9. PLEASE CLARIFY.

C. ALTHOUGH CASP IS NOT A CONTINGENCY DOCUMENT, SOME REFERENCE, HOWEVER GENERAL AND BRIEF, SHOULD BE MADE IN CASP DOCUMENT...PERHAPS AS AN ADDITION TO OVERVIEW STATEMENT... TO LIKELY IMPACT ON US INTERESTS WHICH THE DEATH OF
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PRESIDENT STROESSNER DURING THE CASP PERIOD MIGHT HAVE.

5. IN DISCUSSION OF AMBASSADOR'S OVERVIEW, VIEWPOINT WAS EXPRESSED AND GENERALLY ACCEPTED THAT USE OF WORD "PROTECTOR" ON PAGE 1 PARA 3 WAS SUBJECT TO POSSIBLE MISINTERPRETATION. WORD "COUNTERBALANCED" WAS PROPOSED AS MORE ADEQUATELY REFLECTING OVERVIEW'S INTENT. SIMILARLY, PRE-IG CONSENSUS WAS THAT CHARACTERIZATION OF ATTACK ON OUR POLICY

IN OAS FORUM ON PAGE 2, PARA 3, SENTENCE 2 WAS, PERHAPS,
OVERDRAWN. WE REQUEST AMBASSADOR CONSIDER MODIFYING OVER-
VIEW ALONG LINES SUGGESTED.

6. REQUEST EMBASSY'S COMMENTS BY COB MARCH 12. KISSINGER

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